

Multiple Destination Licenses

Foreign defense firms are at times reluctant to enter into cooperative defense projects with U.S. defense firms because they fear the USG may not authorize the sale and distribution of their joint product. While the USG authorizes under current International Traffic in Arms Traffic Regulations (ITAR) multiple destination marketing licenses for US origin products, the authorization is rarely requested and infrequently used when US origin products are incorporated into foreign products.

The USG is committed to promoting transnational defense cooperation and as such seeks to encourage U.S. defense firms' use of multiple destination marketing licenses, a process that enables these firms to establish what is in effect a pre-approved sales territory.

When a U.S. defense firms' participation in a joint manufacturing agreement with a NATO/Japan/Australia defense firm is approved, the USG is prepared to authorize at that time marketing approval to the agreement partners a list of third country destinations, particularly when the transfers are among NATO countries, Japan and Australia. There would also be a presumption, in the majority of cases, that formal consideration would be given for export licenses for countries to which marketing is pre-approved. In addition, the USG will establish a general principle of approving marketing to all NATO/Japan/Australia governments any item that is manufactured within their countries.

The issuance of Multiple Destination Licenses is principally aimed to encourage commercial cooperative cross-border defense teaming by providing industry reasonable sales assurances.

The State Department's Office of Defense Trade Controls (ODTC) will provide user-friendly guidelines on the use, construction and requirements for these arrangements.